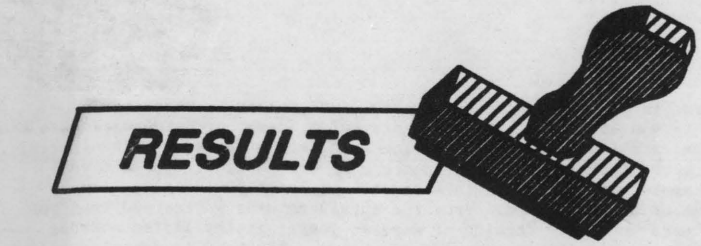
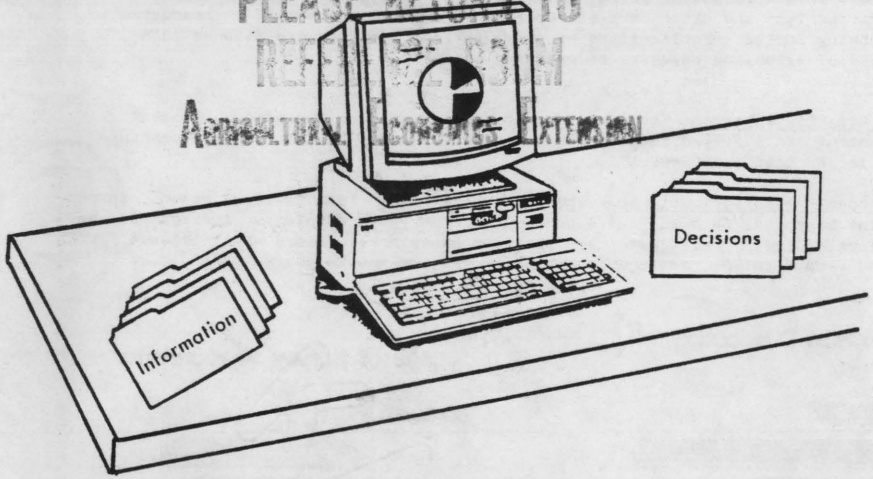


Of a Statewide Survey of Ohio Farmers about Farm Information Sources and Uses



Prepared by Marvin T. Batte, Gary D. Schnitkey, and Eugene Jones

(1988)

ESO 1461

THE OHIO STATE UNIVERSITY

Department of Agricultural Economics and Rural Sociology
2120 Fyffe Road
Columbus, OH 43210-1099

This document is a summary of the November, 1987 survey in which you participated. As you may recall, it was a statewide survey of Commercial Ohio Farmers. The mailing list was developed from a variety of sources. The initial mailing of the survey was to 1800 individuals who were thought to be active farmers. The sample was limited to farmers with at least 200 cropland acres and/or a minimum of 20 dairy cows. From the survey returns we learned that 209 (11.6%) either were no longer farming or were no longer at the listed address. In total, we received 728 (40.4%) completed surveys. The results reported below are a summary for these 728 producers.

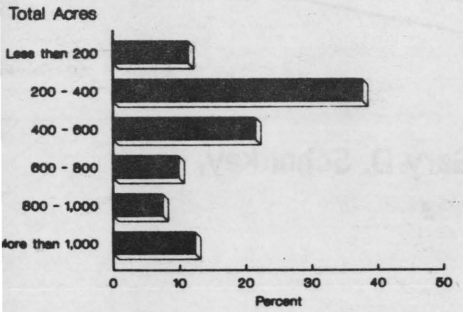
The purpose of the survey was to improve our understanding of information needs of commercial Ohio farmers. In particular, questions were included to determine those information sources farmers currently use, to measure how satisfied farmers were with these sources, and to identify how adequate this information was for four categories of decisions: Marketing, production, finance and weather. Additional questions addressed more specific decisions facing cash grain and dairy enterprises.

A graphical description of the responses to many of the survey questions is provided in the following pages. More detailed analyses of farmer responses by enterprise type and other farm and operator characteristics will be conducted in the coming months. Publications of these further analyses are planned in a variety of extension releases or magazine outlets.

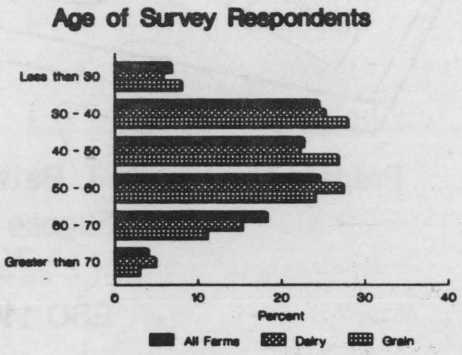
Farm Size Distribution: Average farm size was just over 600 acres. Eleven percent of the surveyed farms were less than 200 acres in size, and 12 percent were larger than 1,000 acres.

Respondent Age Distribution: Respondents' age ranged from 21 to 83 years. Seven percent were less than 30, and 4 percent were 70 years or older. Average age was 49 years. Closely related to this was farm experience. Years of experience ranged from 3 to 75; average length of experience was 29 years.

Farm Size Distribution

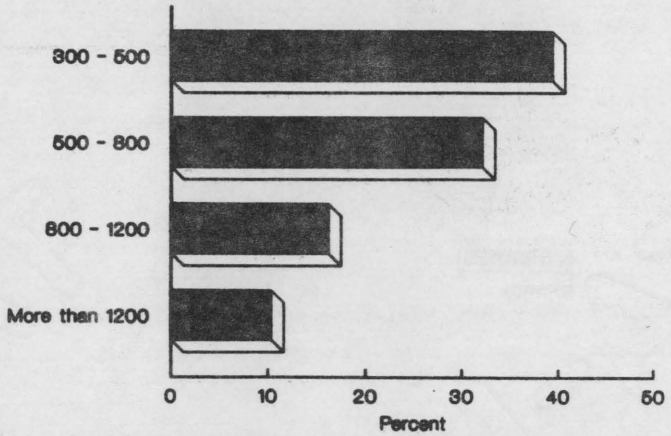


Age of Survey Respondents



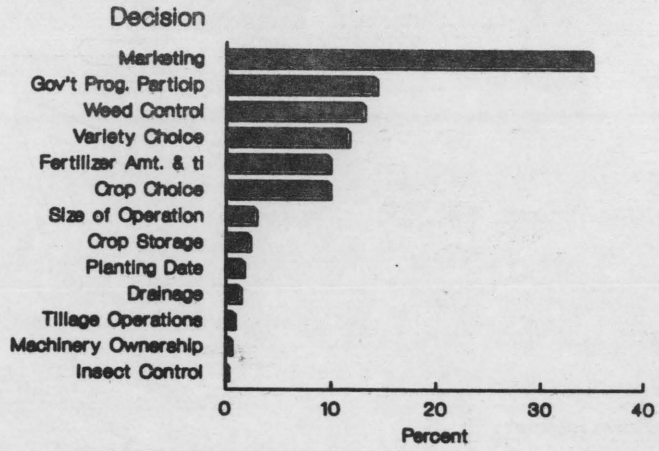
There were 358 farmers producing 300 or more acres of grain crops. The distribution of these farms by size is given below.

Cash Grain Crop Acreages



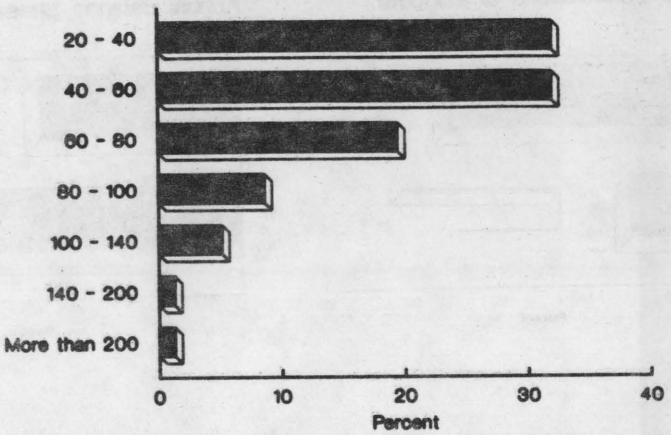
A list of 13 common crop decisions were presented. Farmers were asked to indicate "for which decision would accurate information or reliable advice be most valuable?". Marketing decisions were by far the most common reply. Decisions about tillage operations, machinery ownership and insect control were seldom cited.

Grain Decisions for which Additional Information is Most Valuable



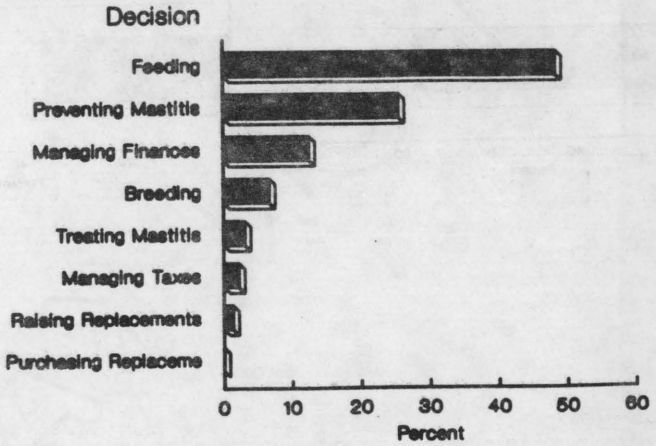
Responding to the survey were 231 dairy producers milking more than 20 cows. The distribution of herd size is summarized below.

Dairy Herd Size Distribution



The dairy farmers were asked to identify one of eight listed decisions for which "accurate information or reliable advice would be most valuable?". Their responses indicated that feeding decisions and prevention of mastitis were of greatest concern.

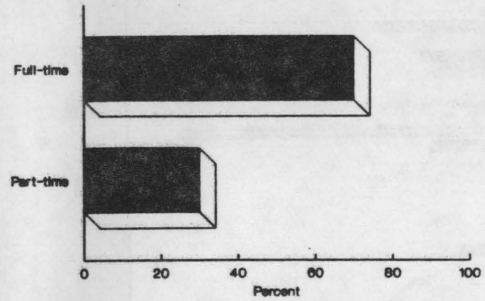
Dairy Decisions for which Additional Information is Most Valuable



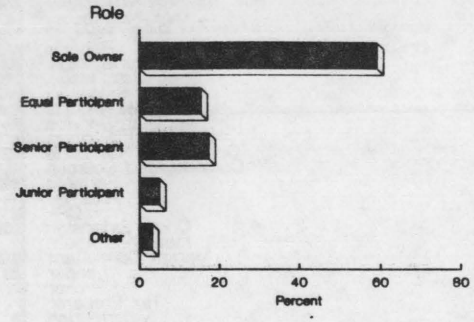
Off-farm Employment: This question was included to address the issue of whether the operator worked part-time off the farm. Of those responding, 70 percent worked either part-time or full-time off the farm.

Respondents' Role in the Farm Business: 59 percent of those answering the questionnaire were sole owners of the farming business. Of the 40 percent involved with multiple operator farm businesses, the majority were either senior or equal participants in the business.

Full Vs Part Time Employment of Operator



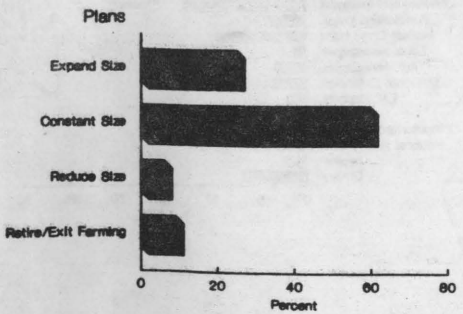
Respondent's Role in the Farm Business



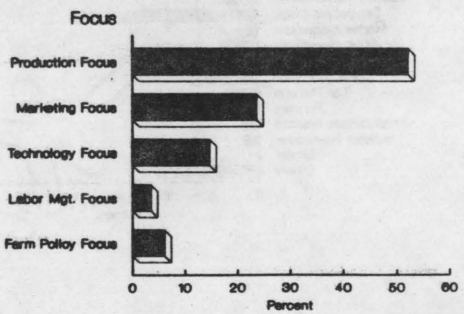
Business Expansion Plans: The majority (60 percent) of the farms surveyed indicated plans to maintain a constant size of business over the next 5 years. Twenty-five percent indicated plans to expand business size and 15 percent plan to either reduce business size or exit farming during the next 5 years.

Management Tasks with the Highest Payoff: This question asked "which of the following tasks, when done well, do you feel has the highest payoff for you as a manager?" A production focus (Observing the crop or livestock enterprise to ensure that . . . production is up to par) was the most frequent response. This was followed by a marketing focus (following price movements and planning marketings) and a technology focus (identification of changes in technologies, varieties and production methods).

Farm Business Expansion Plans

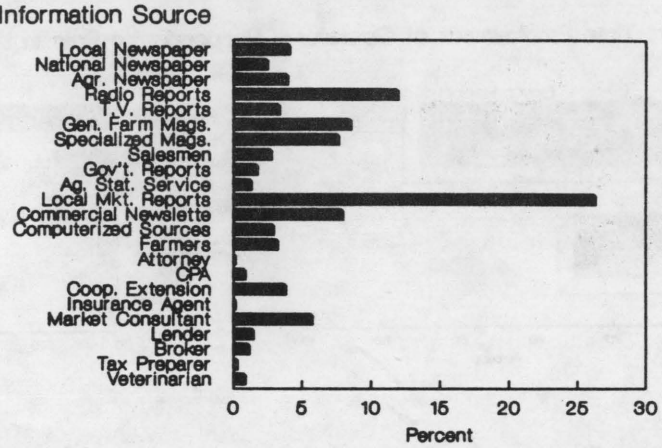


Primary Management Focus of the Operator



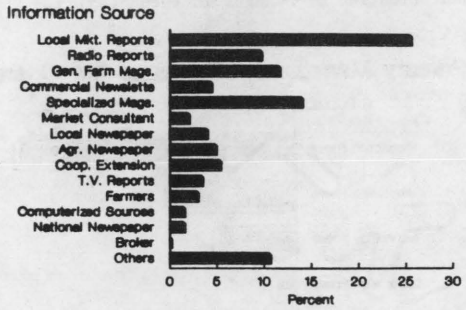
This section of the survey addressed information sources used by farmers. Twenty-three sources were identified. Farmers were asked to rank each in terms of usefulness. They also were asked to identify the single source that was most valuable for marketing decisions. The following figure summarizes these responses for all surveyed farmers.

Market Information Sources - All Farms

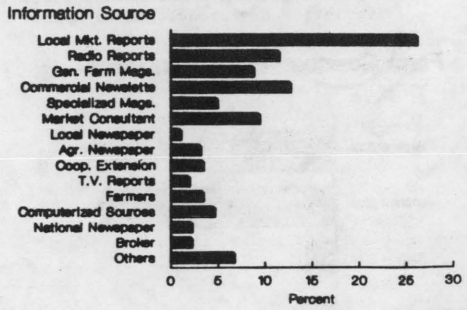


Two subsets of producers were identified. Cash grain producers are those who produce at least 300 acres of corn, soybeans, wheat, oats or other grain crop. Dairy farmers are identified as respondents who milk at least 20 cows. (A farmer who meets both of these criteria is reflected in both groups below.)

Market Information Sources - Dairy

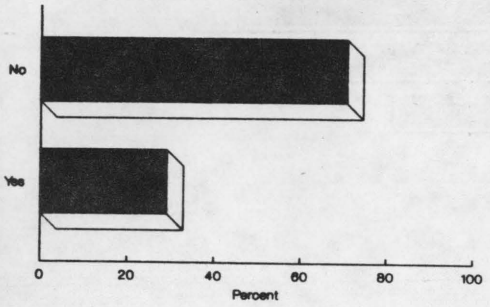


Market Information Sources - Grain

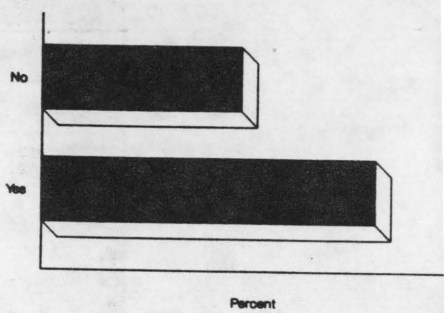


Farmers were asked to indicate whether they constructed, on an annual basis, a balance sheet, income statement, cash flow budget or crop and enterprise budget projections. These responses are summarized below.

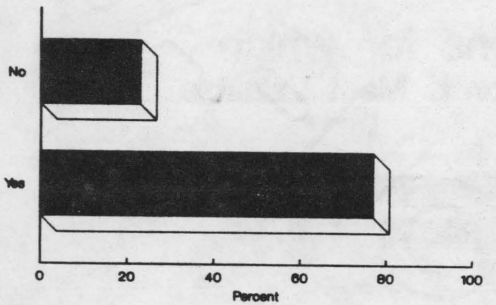
Annual Construction of Budgets



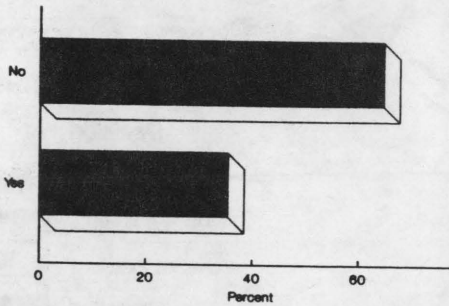
Annual Balance Sheet Construction



Annual Construction of Income Statement

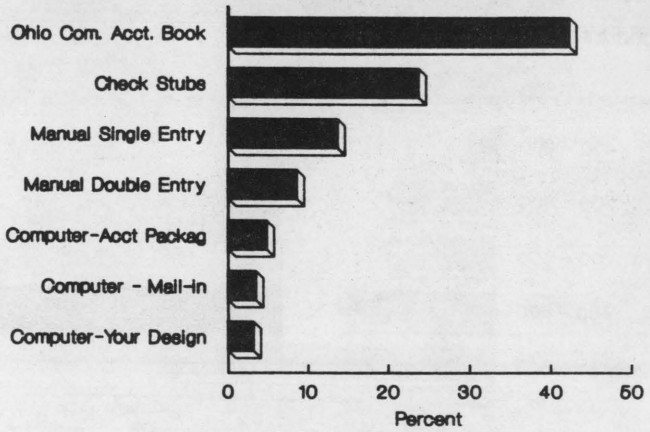


Annual Construction of Cash Flow



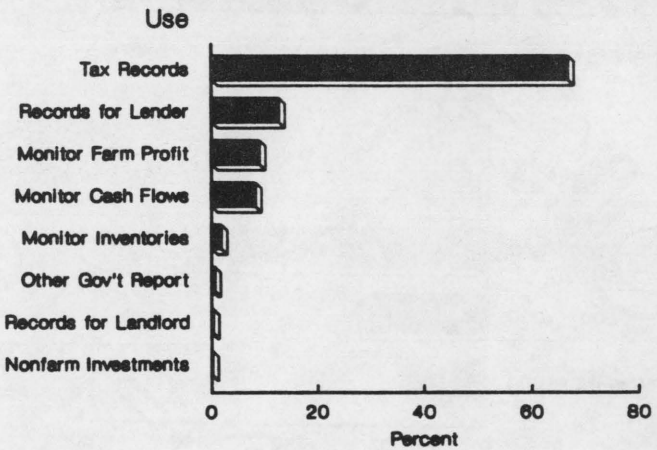
The next six graphs address the farms record keeping system. Farmers were asked to indicate which one of seven record-keeping systems best described their system.

Type of Farm Financial Records



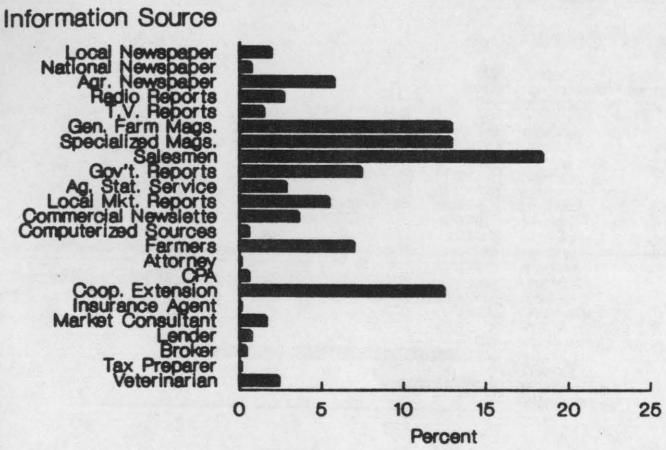
Survey respondents were asked to indicate which of eight listed uses of the farm record were most valuable in managing the business. Their responses were:

Most Valuable Use of Records



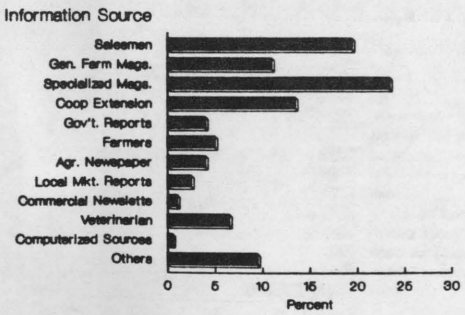
Farmers also were asked to identify those information sources which are most valuable when making production decisions. The term production decisions was not defined: We favored letting farmers interpret this in whatever way made most sense for their particular business. Presumably, it includes such decisions as pest management/control, fertilization, land purchase or lease, and technology selection.

Production Information - All Farms

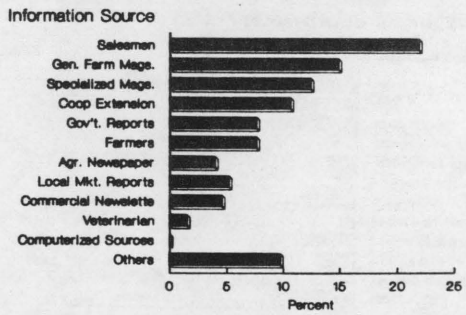


As would be expected, dairy and grain farmers responded somewhat differently for these ranking. However, for both groups, salesmen, magazines and cooperative extension service were the most widely cited sources.

Production Information - Dairy

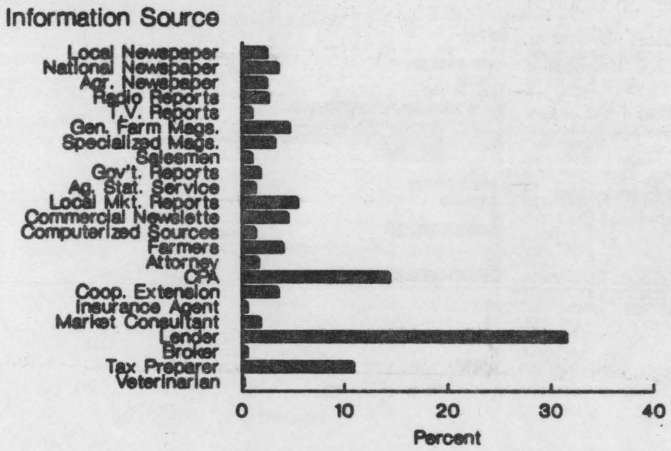


Production Information - Grain



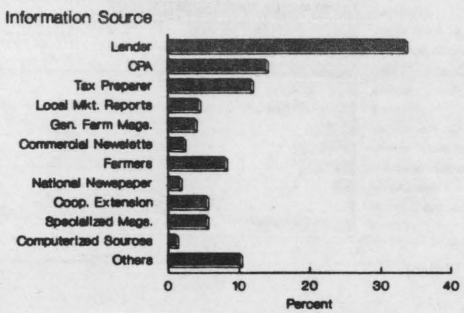
Farmers were asked to identify which of the 23 information sources was most valuable for financial decisionmaking. Again, the definition of what constitutes a financial decision was left to the individual respondent. However, it likely includes such decisions as financing or refinancing the business, choosing a lender, analysis of financial performance, and tax management decisions.

Financial Information - All Farms

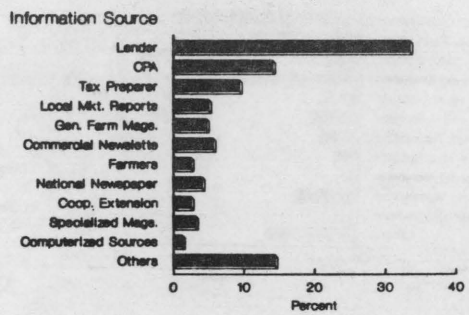


Although some differences exist, these are relatively small across farm type. This underscores the fact that most financial decisions are similar for a wide array of farm business enterprises. Lenders, accountants and tax preparers are the most commonly cited sources of such information.

Financial Information - Dairy

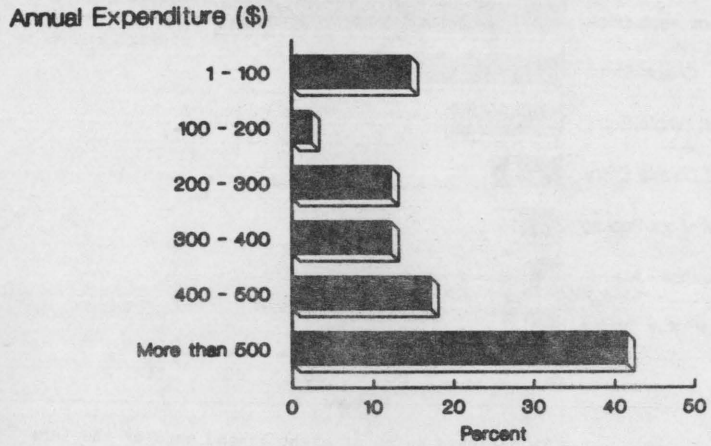


Financial Information - Grain



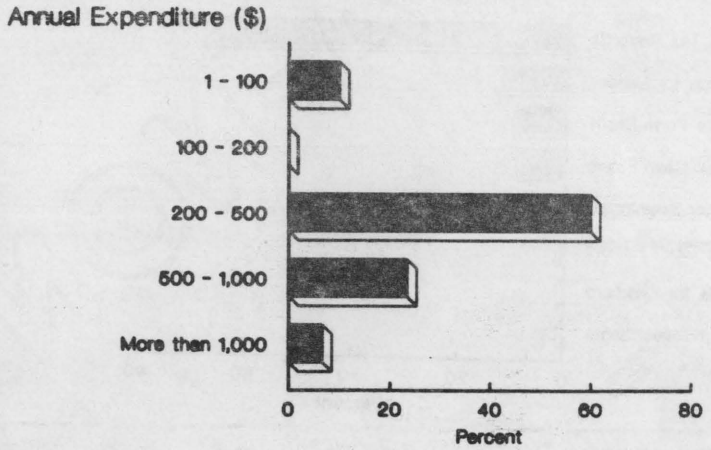
The graph below summarizes expenditures for consulting fees,

Annual Consulting Expenditures



and for computerized information sources.

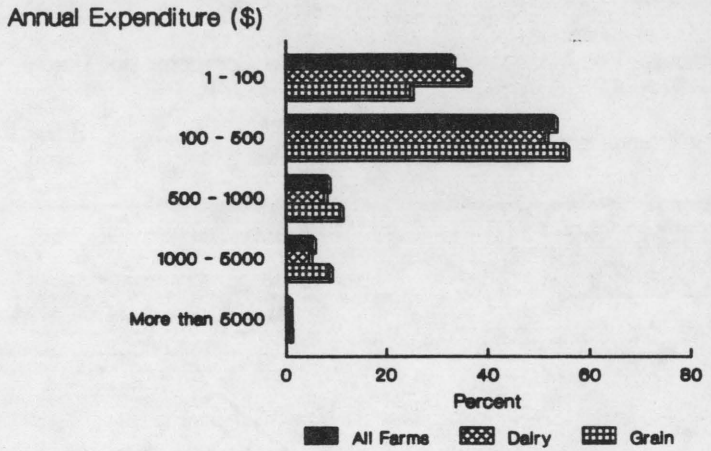
Computerized Information Subscriptions



The next four graphs summarize annual information collection costs. These graphs summarize the responses of those farmers who completed these questions.

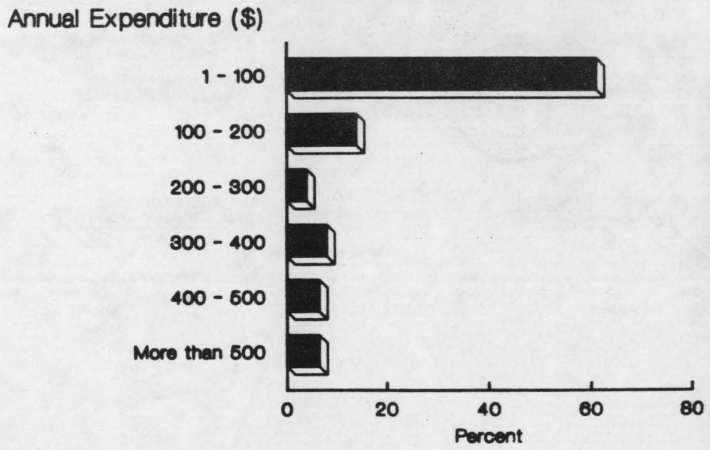
Total Annual information expenditure was described as including "all newspapers, subscriptions, computer software, consulting fees, etc.". The vast majority of all respondents indicated an annual information expenditure of less than $500. However, several farmers indicated expenditures larger than this, with a few exceeding $5,000 annually. Grain farmers tended to have a higher average annual expenditure than did dairy farmers.

Total Annual Information Expenditure



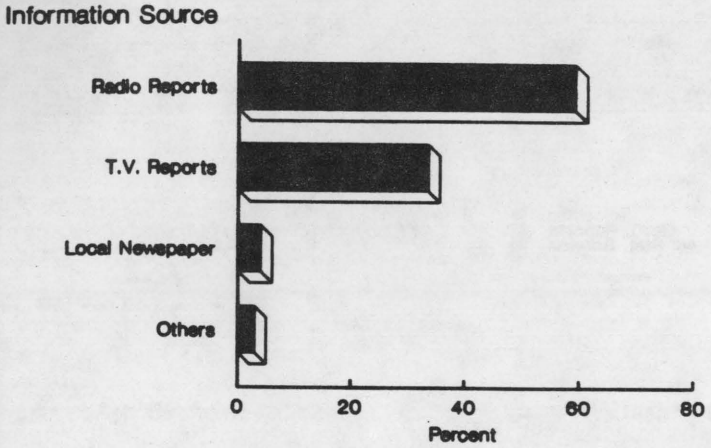
The figure below summarizes annual subscription rates for farm advisory newsletters (e.g, Doanes). About 60 percent of all farmers responding indicated less than 100 annual expenditure. Less than 10 percent spent more than $500 annually for such services.

Annual Farm Newsletter Subcriptions



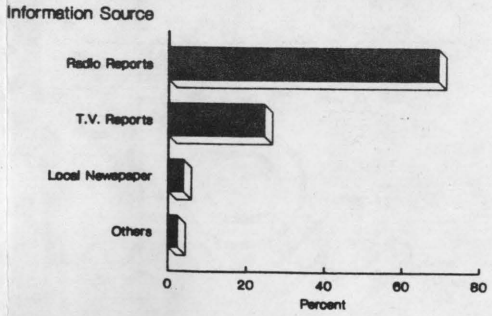
The primary sources of weather information are radio and television reports. These two sources were rated most important by 93 percent of all farm producers.

Weather Information - All Farms

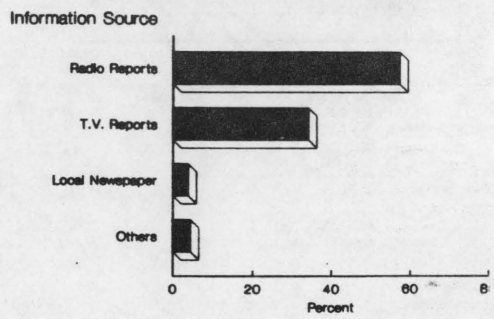


Although the dairy and grain farms differ substantially, those activities which are affected by weather are quite similar. However, dairy farmers indicated a more universal use of radio reports than do grain farmers.

Weather Information - Dairy

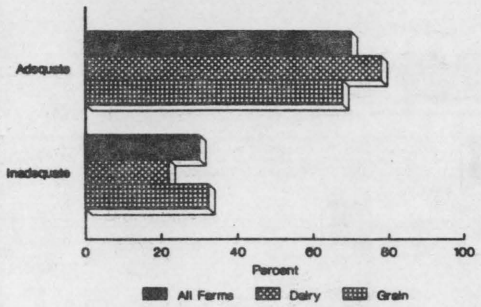


Weather Information - Grain

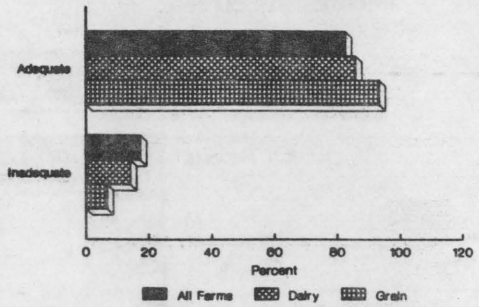


The next few graphs summarize farmers evaluations of the adequacy of information received in marketing, production, finance and weather decision areas. In each case, the majority of farmers are satisfied with these information sources. Also, there is little systematic difference between the responses of dairy and grain producers.

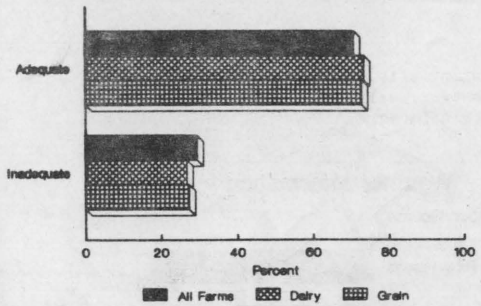
Market Information Adequacy



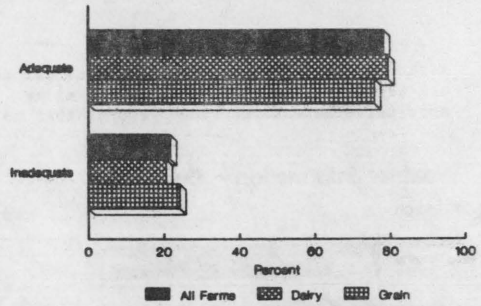
Production Information Adequacy



Financial Information Adequacy



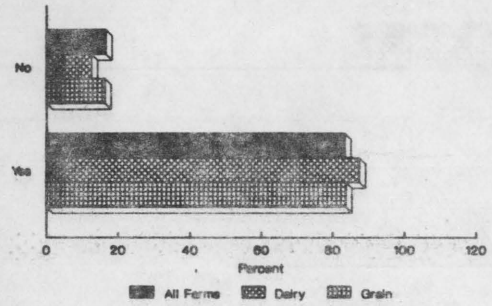
Weather Information Adequacy



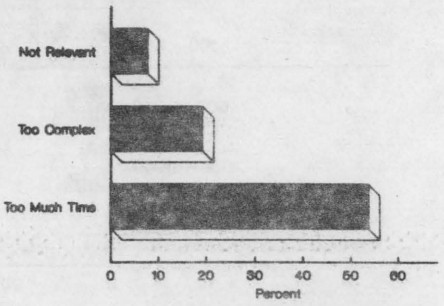
To better understand how farmers utilize computer technologies in the information collection or analysis processes, several questions addressed the use of computers within the business. The use of computers in farm business management still is limited to a fairly small percentage of farmers. Nearly 80 percent of all farmers indicated that computers were not used in the firm. The percentage of dairy and grain farmers using computers was almost identical. The type of computer used on farms was predominated by microcomputers, although nearly 40 percent of dairy farmers use a mail-in system (DHIA records).

The graph on the left is an evaluation by those who use a computer in business management of the usefulness of the computer. Of those answering no to this question, the graph on the right summarizes the reasons the computer is not useful.

Usefulness of Computer For Management

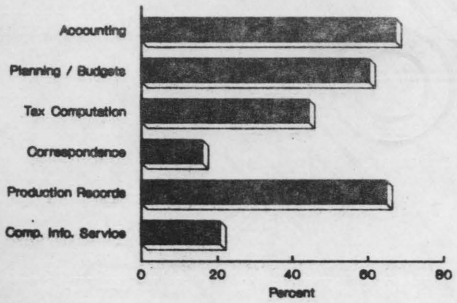


Why is Computer not Useful



The following two graphs summarize the responses for those farmers who use computers in the management of the farm business and find them to be useful. The figure on the left indicates the percentages of farmers using the computer for the listed activities. The figure on the right is the response of the individuals to "the use of the computer which is most helpful in managing the business.

Uses of the Computer in Business



Most Important Use of Computer